October 3, 2007

RE: Kirby Lane North Sewer Main Construction NYS EFC Funding

Dear Kirby Lane North/Grace Church Street Resident:

As you probably know, the City of Rye has applied to the New York State Environmental Facilities Corp. ("EFC") for short and long-term funding of the costs associated with the Kirby Lane North Sewer Project. Success in obtaining this funding would dramatically reduce the cost of financing the project, resulting in a significant reduction of the amount you would pay every year (Kirby Lane North Sewer Project Assessment).

The City's original application was awarded only 26 points, and a subsequent appeal made earlier this year with an engineering report describing the project and surrounding water bodies only increased the project 5 points to a total of 31 points. Projects included for funding by the EFC at this time typically have over 1,000 points, with 9 projects on the 2008 list having 136 points. The letter of July 9, 2007 from the EFC to the City of Rye included the following:

In order to receive more points, this project must document an existing water quality violation. The supplemental report demonstrates that the existing on-site wastewater treatment systems are a "potential threat" to groundwater and/or surface water quality, however, no actual septic system failures have been documented. Examples of applicable documentation are actual water quality data, and findings or notices by the Westchester County Department of Health or New York State Department of Environmental Conservation. Due to the lack of documentation, EFC cannot conclude that the existing septic systems are in fact "failing".

Additionally, EFC reviewed the DEC Priority Waterbody List (PWL) for the Long Island Sound, and more specifically, Port Chester Harbor, which is adjacent to the project location. The PWL does not identify failing on-site septic systems as causing or contributing to water quality problems in either Port Chester Harbor or Long Island Sound. This fact, coupled with lack of documentation of the existing septic systems having actually failed, prohibits EFC from awarding additional points to the project related to the "Existing Source" and "Water Quality Improvement" criterion in the scoring system.

In the hope of increasing our funding score, the City of Rye has engaged Chas H. Sells, Inc.("Sells") to obtain water samples from the private wells and, as selected by Sells, standing bodies of water (ponds, streams, wetlands, etc.) that exist in the Kirby Lane North neighborhood.

Sells will have the samples tested and will prepare a report to the City of their findings. The City will use this report to document any existing violations of water quality in another request to the EFC for review of its funding score.

Although all the properties along Grace Church Street and two of those on Kirby Lane North are served by United Water of New Rochelle and do not use a well for drinking water, we are investigating whether any of these properties have a well on-site that is used for other purposes such as irrigation. If your property does have a well and you are willing to grant us access to that well for testing, we would appreciate it if you would let us know.

It is important that you contact us (Sells) by phone, fax, letter, or email and advise us that you do in fact have a well on your property and that you will grant us access to your property for water quality testing. Your cooperation is important, as any findings may assist us in obtaining a score that will meet EFC funding requirements. Please also note that while there is no guarantee that the testing results will improve our score, the lack of testing results will certainly work against us in reducing your annual sewer assessment cost.

Please also note that we are working on a tight time schedule to facilitate our application to the EFC for another review. Please contact us by October 8, 2007 so that we may schedule the necessary testing in a timely manner.

Permission may be granted by faxing a note to my (Susan K. Fasnacht) attention at 914-747-1120 or by sending an e-mail stating the same to KirbyLaneNorth@ChasHSells.com. If you have any questions, please drop me an e-mail or call at 914-747-1120.

All costs associated with the testing and report will be charged to the Kirby Lane North Sewer Project, so there is no payment required at this time.

Please join us in hoping for a successful water quality testing and EFC funding score review.

Very truly yours,

Chas. H. Sells, Inc.

Susan K. Fasnacht, P.E.

Vice President